

2012 Q3 Earnings Presentation



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- 1. Macro Economic / Banking Outlook**
2. Q3 2012 Financial Results
3. Market Comparison
4. Appendix

Global Economy

- Traditional drivers of recovery have underperformed in Europe due to debt crisis
- Easing monetary policies introduced by major central banks decreased anxiety.
- Developing countries also face with growth problems. In the third quarter Chinese GDP growth rate decreased to 7.4%.
- Leading indicators for US economy giving positive signals amid problems in labor market.

Turkish Economy

- CAD has been taken under control in the first eight month of 2012 which recorded USD 36 billion CAD (USD 54 billion in 2011) thanks to the slowdown in the economy.
- The latest tax and price hikes will contribute approximately 0.9% extra increase in the inflation therefore Central Bank of Turkey revised their inflation expectations from 6.2% to 7.4%.
- 2013-2015 Medium Term Programme (MTP) was declared and that program evaluated by the expert as a more moderate and can easily be achieved. GDP growth projections for 2012, 2013 are 3.2% and 4.0% respectively.

Banking Industry

- In the first nine months, net profit of banking sector increased by 17.0% year on year basis.
- At the same period, deterioration in asset quality is giving alert.
- NPL amount raised 21.0% ytd due to the slowdown in the economy.
- Sector continued to rollover the amount of syndication and issued new debt instrument successfully with low prices.

Participation Banks

- New sovereign rent certificate (sukuk) issues provides to diversify asset structure and gives facility to liquidity management.
- Accessing to wholesale funding sources (i.e. Sukuk, wakala)
- Number of branches continue to increase
- Acceleration in deposit growth

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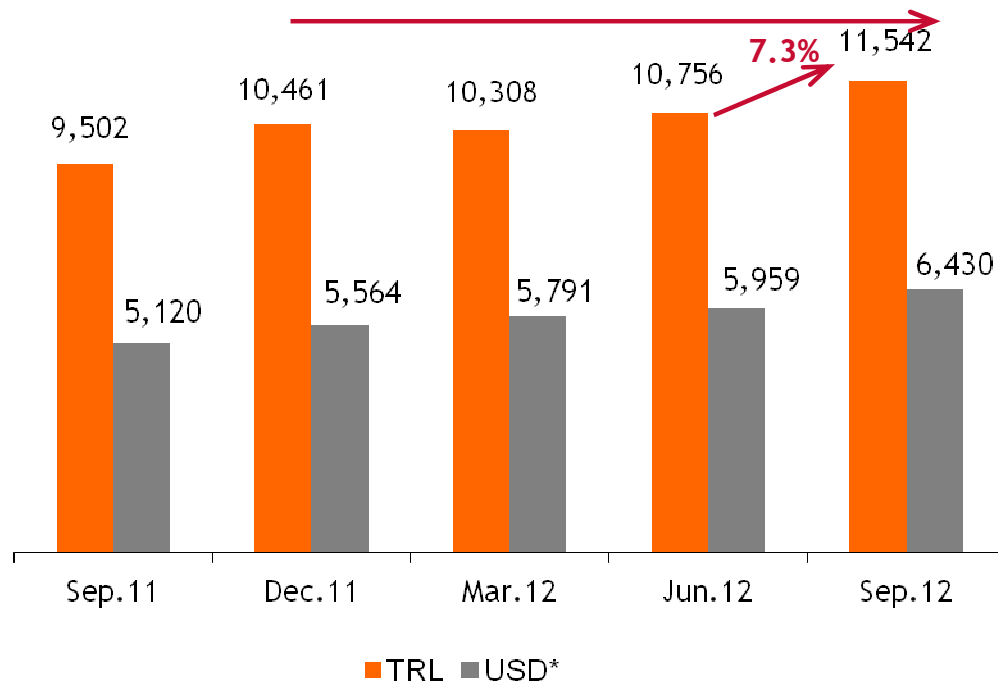
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Growth in total assets gained acceleration

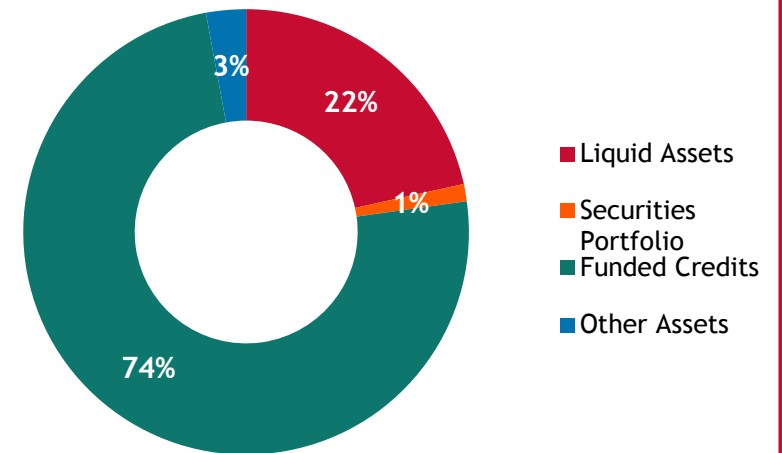
Total assets (million TRL)

YtD Growth: 10.3 %in TRL terms
YtD Growth: 15.5% in USD terms



*USD equivalent of total assets
L/D (Q3) = 99.2%

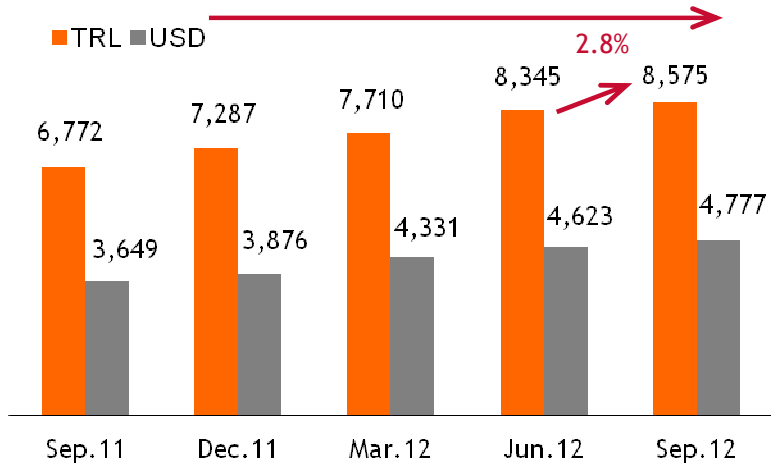
Asset Segmentation (Q3'12) (%)



Growth in funded credits slowing down as expected

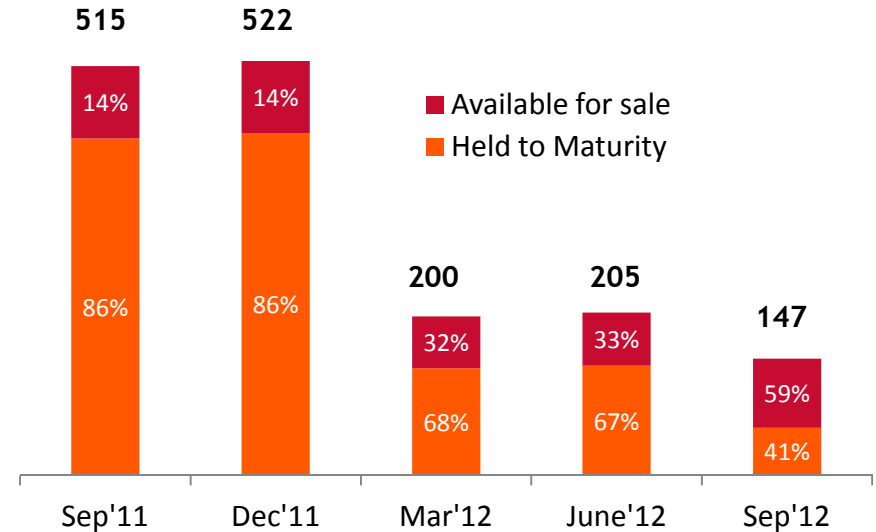
Total Funded Credits* (million)

Ytd Growth: 17.7% in TRL terms
Ytd Growth: 23.6% in USD terms

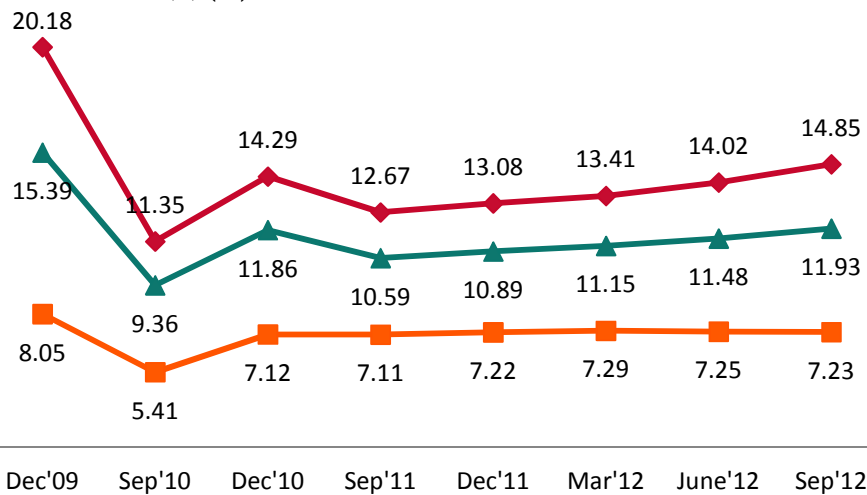


*USD equivalent of total funded credits

Total Securities Portfolio (TRL million)



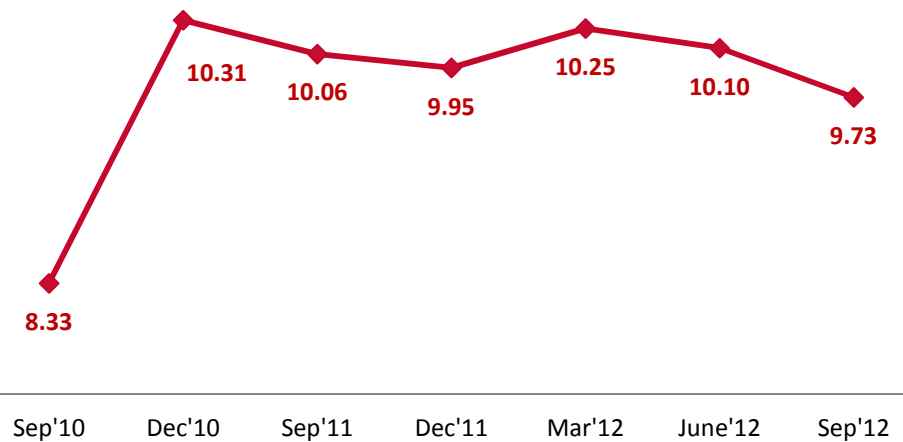
Credit Yields(1) (%)



◆ LC Credits Yields ■ FC Credits Yields ▲ Total Yields

(1) Profit share income received from credits for the last 12M/12M average credits

Securities Yield(2) (%)



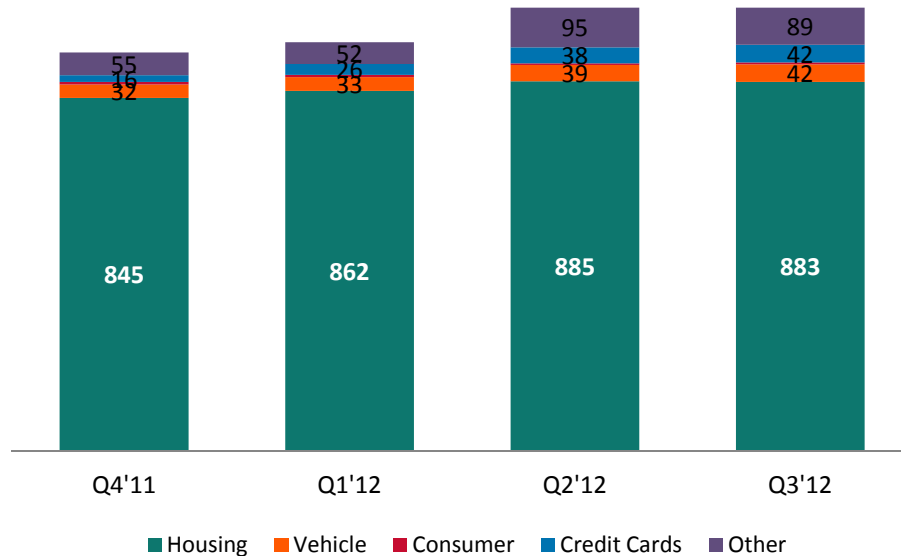
◆ Securities Yield (%)

(2) Profit share income received from securities for the last 12M/12M average securities

Composition of Total Funded Credits (%)

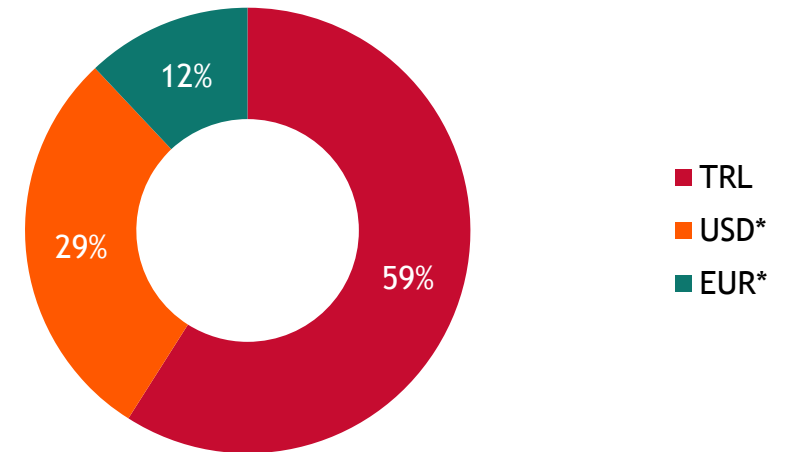
	Q1'12	Q2 '12	Q3 '12
Corporate Credits	55.47	52.39	56.83
SME Credits	31.77	34.81	30.71
Retail Credits	12.76	12.80	12.46
Total	100.00	100.00	100.00

Total Retail credits *(TRL million)



* Excluding installment based commercial credits and corporate credit cards

Currency Composition of Total Funded Credits (Q3'12)

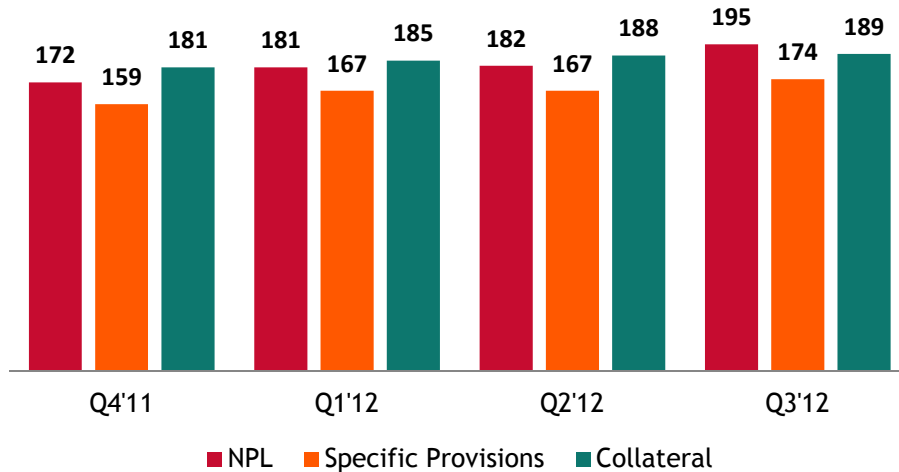


*Including USD & EUR indexed credits

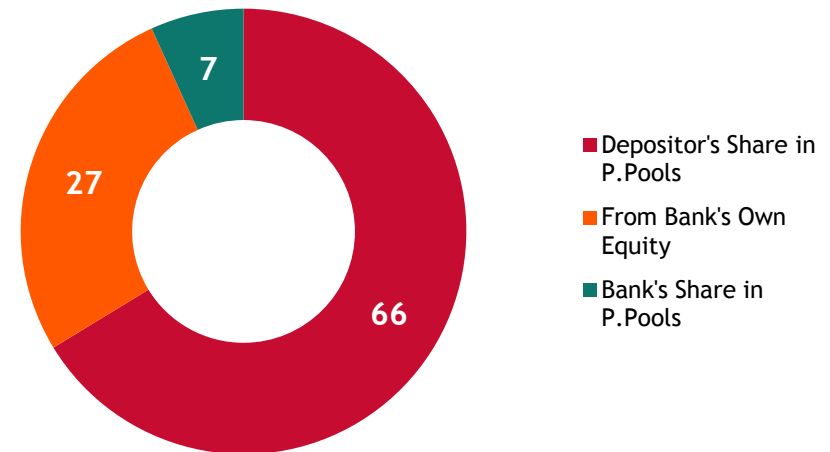
- Retail credits (excluding installment based commercial credits and corporate credit cards) grew to 1,601million TRL in September 30, 2012 up from 954 million TRL in Q4 2011
- Housing finance is primary segment among retail credits

Asset quality has always priority

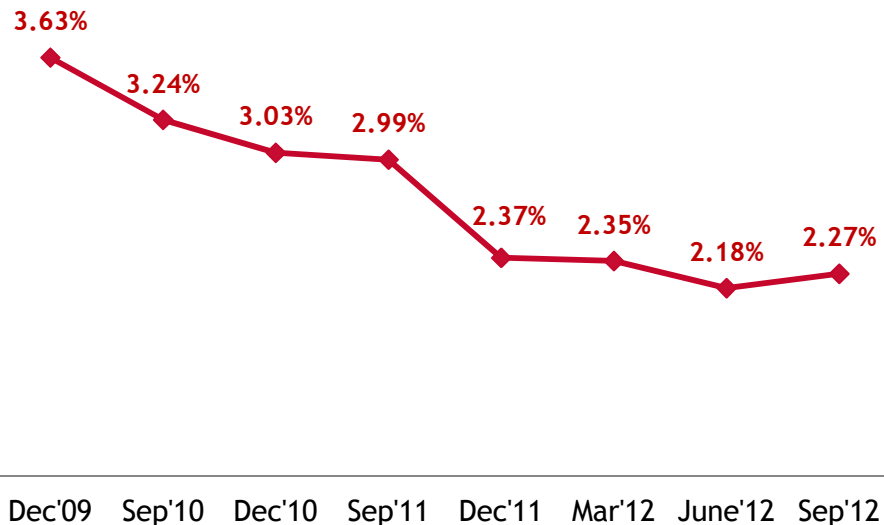
Non-performing Loans (TRL million)



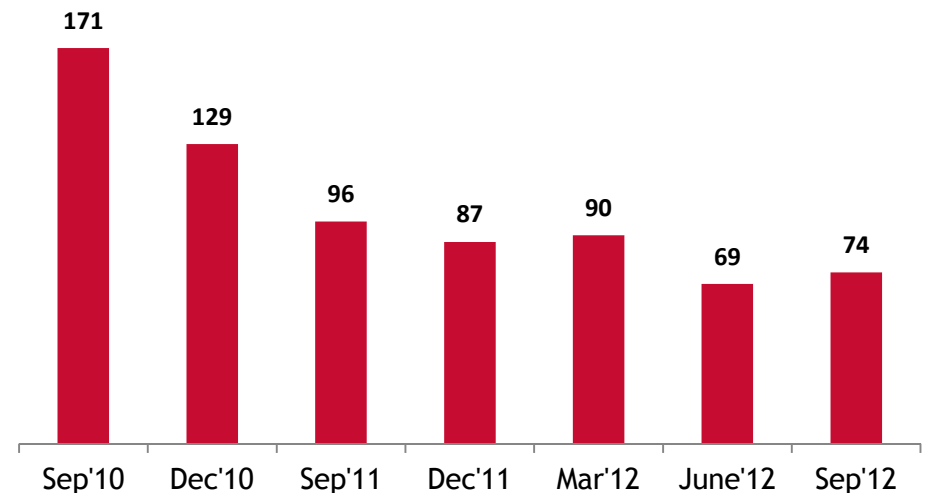
Composition of NPL (Q3'12) (%)



NPL Ratio*



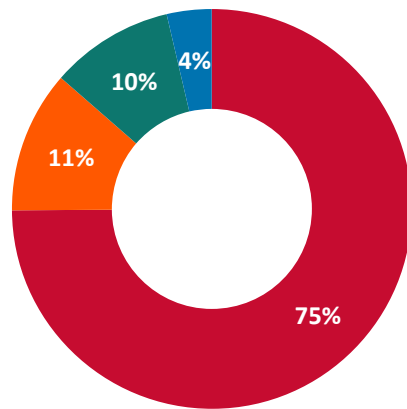
Cost of Risk** (bps)



* Including financial leasing & accruals and discounts

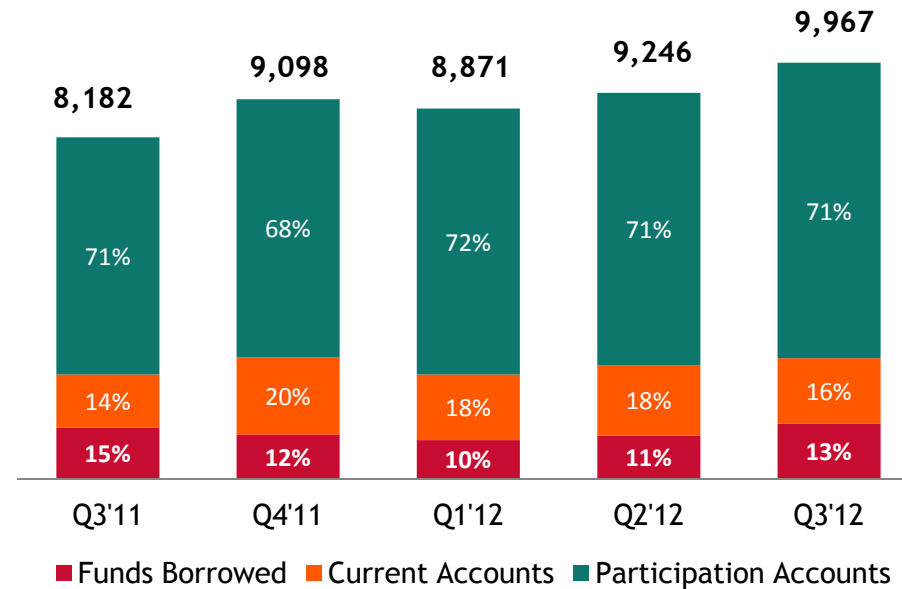
** Specific provisions for credits for last 12M/ 12/M average credits

Composition of Total Liabilities (Q3'12)



■ Fund Collected ■ Wholesale Funding
 ■ Shareholders Equity ■ Other Liabilities

Composition of Funding Base (TRL million)



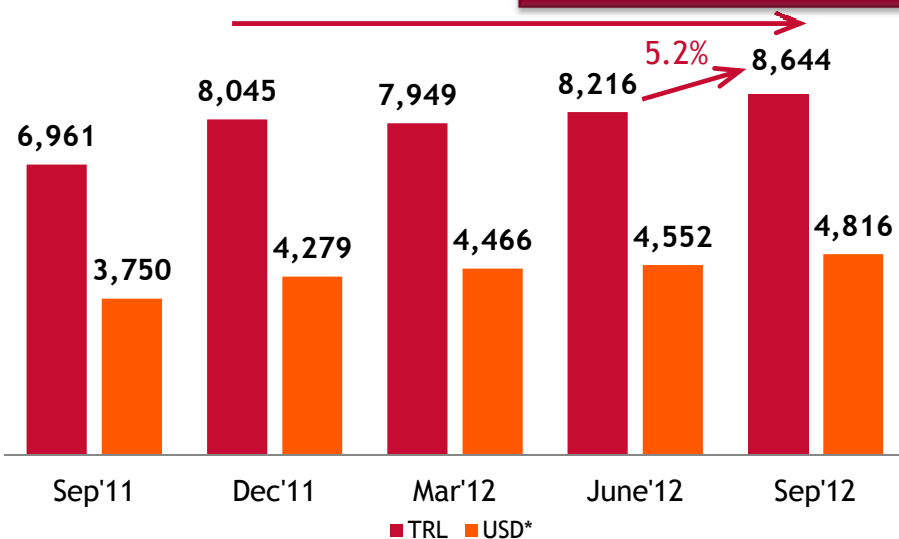
■ Funds Borrowed ■ Current Accounts ■ Participation Accounts

- Customer deposits are still main source of credit funding
- Alternative funding (murabaha syndication and wakala) helps to diversify funding sources

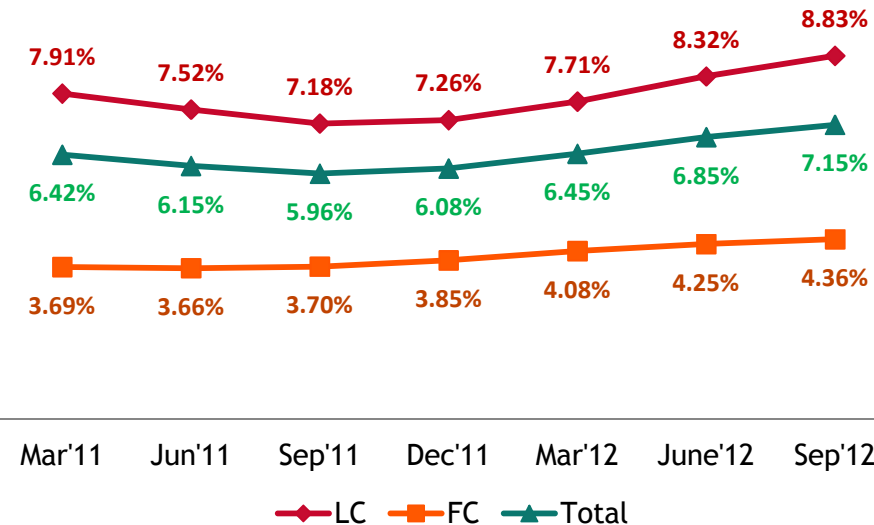
Total Funds Collected

Total Funds Collected (million)

Ytd Growth: 7.4 %in TRL terms
Ytd Growth: 12.5% in USD terms

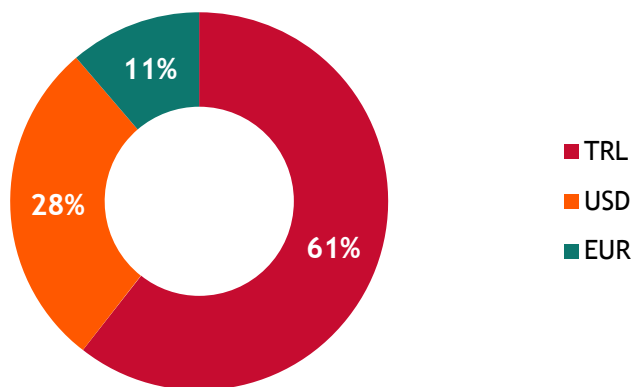


Cost of Funds Collected (1)

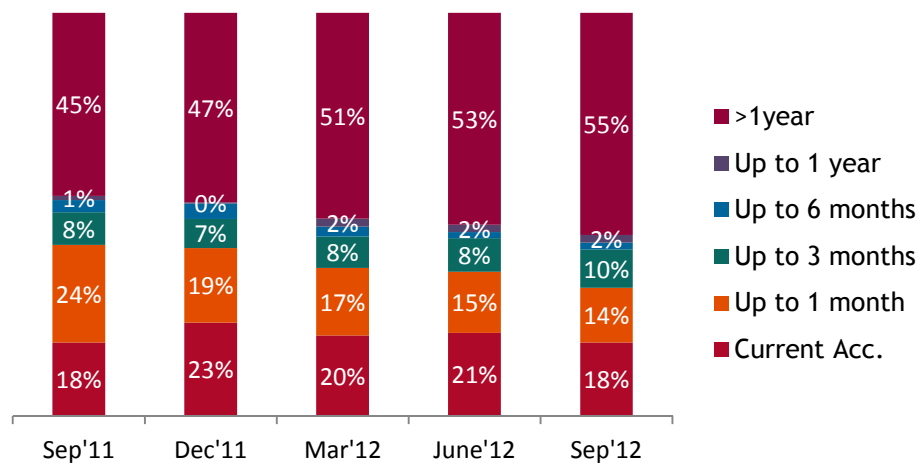


*USD equivalent of total funded credits

Currency Composition of Participation Accounts (Q3'12)



Maturity Composition of Funds Collected

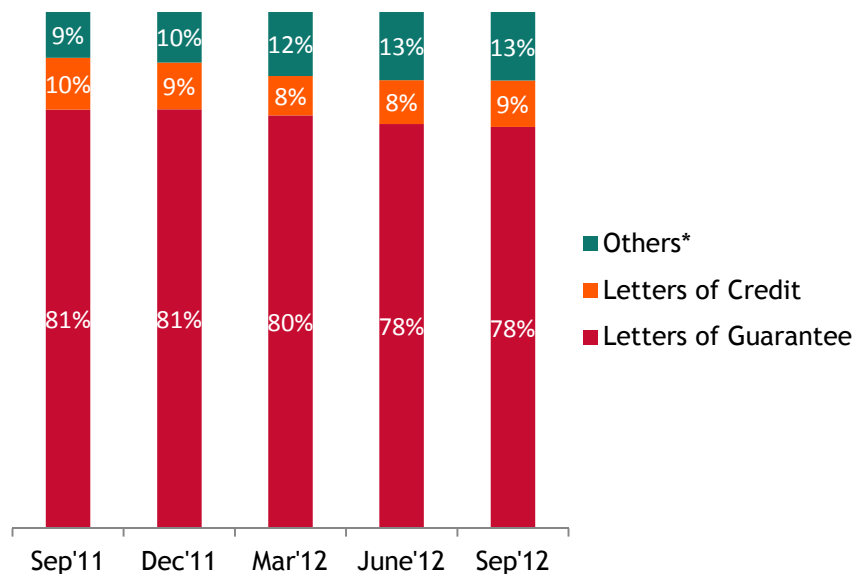


Average Maturity for Funds Collected (days)

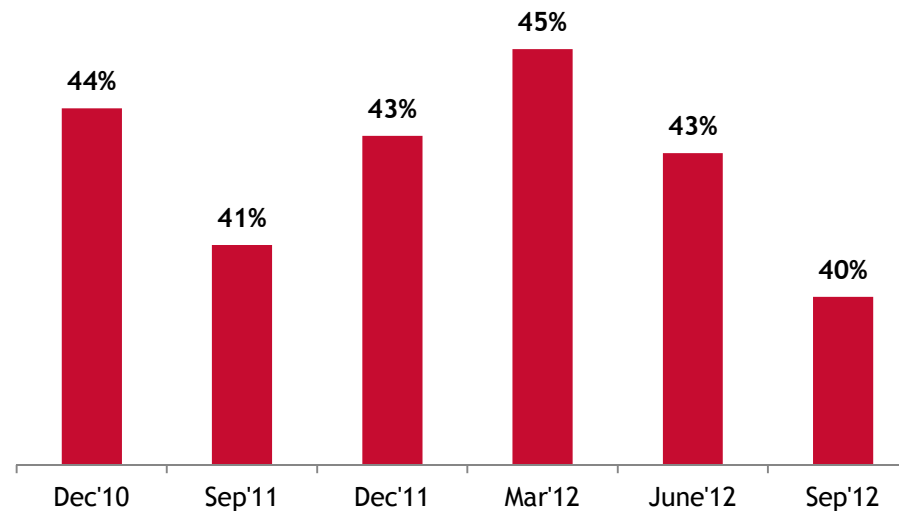
TRL: 178 FX: 157 Total: 170

Off balance sheet growth in line with strategic target

Off Balance Sheet Composition



LGs-to-Total Assets



Off Balance Sheet (TRL million)

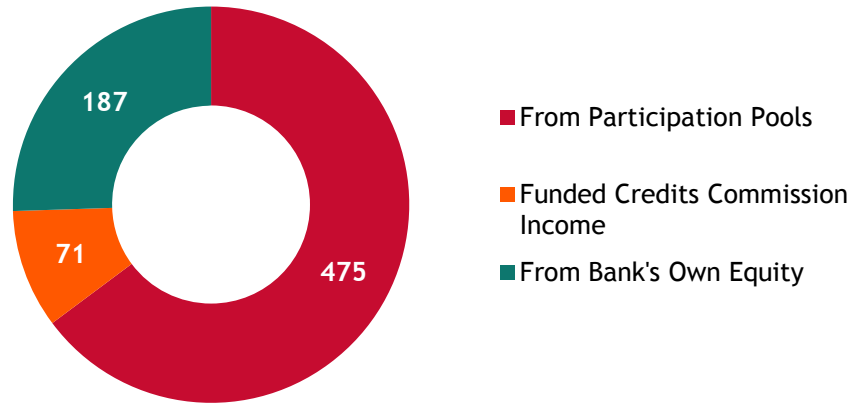
	Q4 '11	Q1 '12	Q2 '12	Q3 '12	Growth (%)	
					Q-Q	YtD
Letter of Guarantee	4,534	4,650	4,646	4,644	0	2.4
Letter of Credit	506	442	503	537	6.8	6.1
Others*	546	721	784	793	1.1	45.3
Total:	5,586	5,813	5,933	5,813	0.7	6.9

* Revocable credit limits not included.

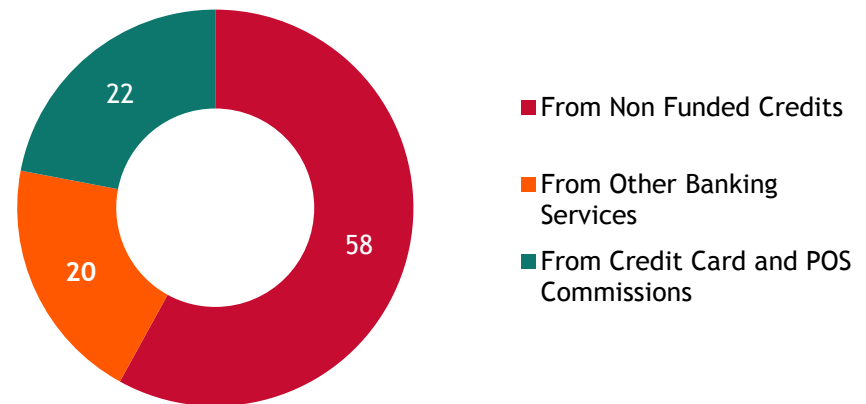
Income-Cost Dynamics Normalizing

(000 TRL)	Year on Year Change			Quarterly Change			Notes
	Sep'11	Sep'12	%	Q2'12	Q3'12	%	
Net Profit Share Income	275,697	354,037	28.4	112,555	135,630	20.5	PSI increased by 11.2% while net profit share expense kept almost steady (+3.1%) on quarterly basis. Joint venture projects returns (TRL 13.2 mln)supported the NPSI.
Net Fee Income	65,292	84,976	30.1	28,141	29,260	4.0	Commission income received from non-funded credits increased by 35% YoY.
Net Trading Income	11,853	15,811	33.4	4,971	6,951	39.8	High FX trading income was earned on QoQ basis (62.8%)
Other Income	34,769	42,064	21.0	12,755	8,611	-32.5	Huge increase in recollections (23.0%) on YoY basis. However, recollections were less in Q3'12 than previous quarter (Q2'12)
Staff Costs	104,493	142,147	36.0	50,168	47,538	-5.2	Yoy change is due to annual wage increase, bonus and staff expansion. Quarterly change normalized in Q3'12 and 2% quarterly decrease in staff size supported cost normalization.
Provisioning	70,120	64,882	-7.5	15,302	19,080	24.7	Specific provisioning costs increased due to the new NPL formation
Other Costs	74,315	103,064	38.7	85,919	81,937	-4.6	Yoy increase in other operational costs can be attributable to new branch openings and transformation projects
Tax	28,722	37,641	31.1	10,734	16,290	51.8	-
Net Profits	109,961	149,154	35.6	46,828	63,145	34.8	-

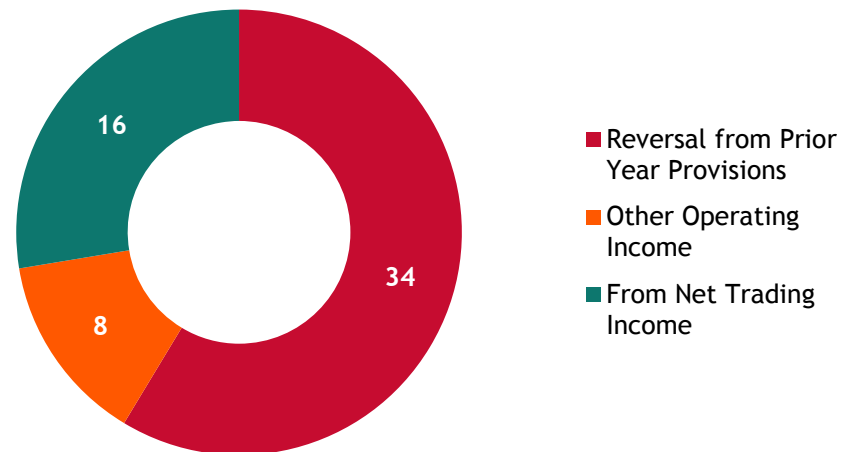
Breakdown of Profit Share Income (TRL million)



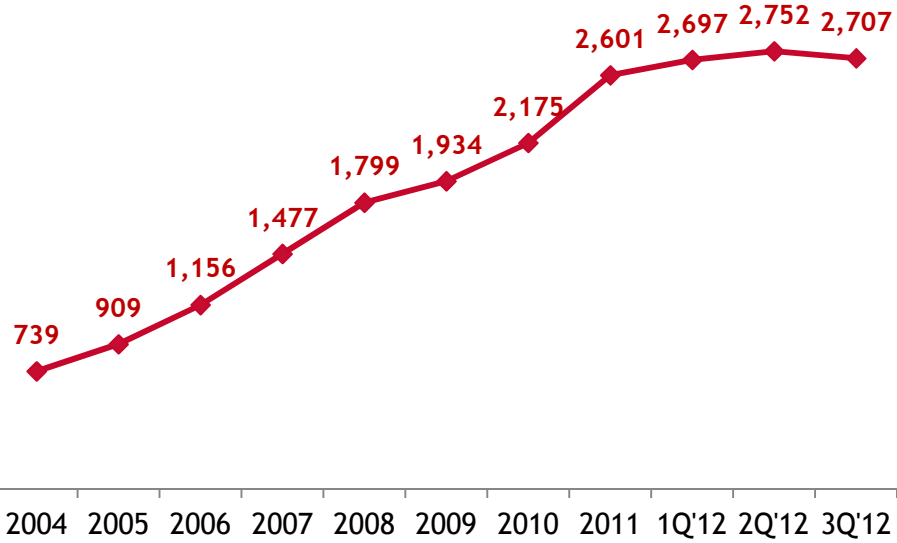
Breakdown of Fee & Commission Income (TRL million)



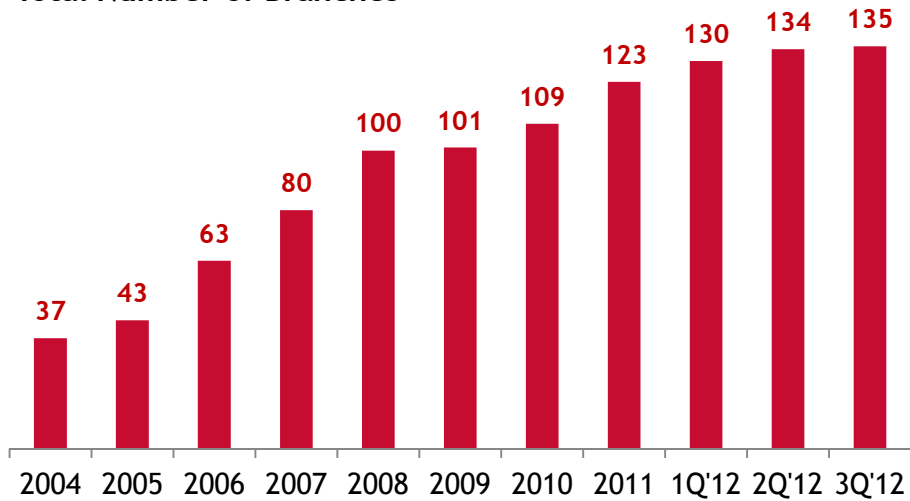
Breakdown of Other Income (TRL million)



Total Number of Personnel



Total Number of Branches



Albaraka Türk Branches



Current Branches

İstanbul	57	Gaziantep	2	Denizli	1	Karabük	1	Sivas	1
Ankara	14	Adıyaman	1	Düzce	1	Kastamonu	1	Şanlıurfa	1
İzmir	4	Afyon	1	İzmit	1	Malatya	1	Tekirdağ	1
Konya	4	Aksaray	1	Elazığ	1	Manisa	1	Tokat	1
Adana	3	Aydın	1	Erzurum	1	Maraş	1	Trabzon	1
Bursa	3	Balıkesir	1	Eskişehir	1	Ordu	1	Van	1
Kayseri	3	Batman	1	Hatay	1	Osmaniye	1	Yalova	1
Kocaeli	3	Bolu	1	Isparta	1	Rize	1	Zonguldak	1
Antalya	2	Çanakkale	1	İçel	1	Sakarya	1	Erbil*	1
Diyarbakır	2	Çorum	1	Karaman	1	Samsun	1		

*1 branch in Erbil, Iraq

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Percent	2011 (12 Months)			2012 (9 Months)		
	Albaraka Türk	Participation Banks	Banking Sector	Albaraka Türk	Participation Banks	Banking Sector
Asset Size	24.38	29.57	20.92	10.34	15.81	7.46
Total Credits	15.72	25.76	30.37	17.68	15.80	10.61
Deposits	16.74	18.52	12.80	7.48	15.38	6.10

Percent	2011 (12 Months)			2012 (9 Months)		
	Albaraka Türk/ Participation Banks	AlbarakaTürk/ Banking Sector	Participation Banks/Banking Sector	Albaraka Türk/ Participation Banks	AlbarakaTürk/ Banking Sector	Participation Banks/Banking Sector
Asset Size	18.62	0.86	4.61	17.74	0.88	4.97
Total Credits	17.55	1.05	5.93	17.83	1.11	6.20
Deposits	20.42	1.15	5.64	19.02	1.17	6.13

Percent	2011 (12 Months)			2012 (9 Months)		
	Albaraka Türk	Participation Banks	Banking Sector	Albaraka Türk	Participation Banks	Banking Sector
CAR	12.53	14.05	16.46	12.45	13.48	16.45
NPL Ratio	2.36	2.99	2.71	2.27	3.10	2.96
Provisioning Ratio	92.41	65.43	79.38	89.51	71.42	75.21
ROAA (IBT)	2.23	2.04	2.22	2.40	1.97	2.29
ROAE (NI)	17.46	13.80	14.26	18.93	14.29	14.48
Yield	9.18	9.19	8.60	10.12	10.08	9.73
Spread	4.29	4.52	3.42	4.66	5.13	4.05
Net Profit Share Margin	4.60	4.85	3.95	4.92	5.32	4.56
Net Fee Income / Avg. Assets	1.81	1.72	1.27	1.93	1.66	1.23
Op Costs / Avg. Assets	2.97	3.51	2.63	3.07	3.35	2.72
Cost/Income*	45.99	50.32	47.02	50.81	49.32	44.75
Credits / Branches (000 'TRL)	59,244	60,621	66,628	63,521	61,337	71,158
Staff / Branches	21	20	19	20	19	18
CA / Deposits**	23.07	25.39	17.42	18.17	21.32	17.35

*Cost: Operating Costs, Income: NII/NPSI, Net Fees and Commissions Income, Other Income

**Accruals and rediscounts excluded

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Summary Balance Sheet

(Thousand TRL)	Dec. '11	Sep. '12	Growth (%)
Cash and Banks	2,358,672	2,486,128	5.4%
Financial Assets	90,682	86,757	-4.3%
Funds Utilized	7,286,960	8,575,369	17.7%
<i>Cash Credits</i>	7,251,756	8,512,098	17.4%
<i>NPL</i>	171,936	194,768	13.3%
<i>Provisions</i>	-158,882	-174,340	9.7%
<i>Net Financial Leasing Receivables</i>	22,150	42,843	93.4%
Investments Held to Maturity (Net)	430,862	59,449	-86.2%
Associates	3,050	4,050	32.8%
Fixed Assets	236,496	260,447	10.1%
Assets Held For Sale and Investment	25,372	21,297	-16.1%
Other Assets (inc. Tax Assets)	28,791	48,968	70.1%
Total Assets	10,460,885	11,542,465	10.3%
Funds Collected	8,044,747	8,643,983	7.4%
Funds Borrowed	1,053,290	1,323,083	25.6%
Debts (inc. Taxes)	212,404	263,008	23.8%
Provisions	146,193	157,526	7.8%
Shareholders' Equity	1,004,251	1,154,865	15.0%
<i>Capital</i>	539,000	900,000	67.0%
<i>Capital Reserves (inc. Premium)</i>	35,330	36,077	2.1%
<i>Profit Reserves</i>	269,051	68,920	-74.4%
<i>Profits</i>	160,870	149,868	-6.8%
<i>Past Periods</i>	715	714	-0.1%
<i>Current Year</i>	160,155	149,154	-6.9%
Total Liabilities	10,460,885	11,542,465	10.3%

Summary Income Statement

(Thousand TRL)	Sep '11	Sep '12	Growth (%)
Profit Share Income	549,490	732,904	33.4%
Profit Share Expense	273,793	378,867	38.4%
Net Profit Share Income	275,697	354,037	28.4%
Net Fees and Commissions Income	65,292	84,976	30.1%
<i>Fees and Commissions Recvd</i>	80,033	100,341	25.4%
<i>Fees and Commissions Paid</i>	14,741	15,365	4.2%
Net Trading Income	11,853	15,811	33.4%
Other Operating Income	34,769	42,064	21.0%
Total Operating Profit	387,611	496,888	28.2%
Provisions for Loan Losses	70,120	64,882	-7.5%
Other Operating Expenses	178,808	245,211	37.1%
Net Operating Profit	138,683	186,795	34.7%
Tax Provision	28,722	37,641	31.1%
Net Profits	109,961	149,154	35.6%

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THANK YOU

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